



The President's Daily Brief

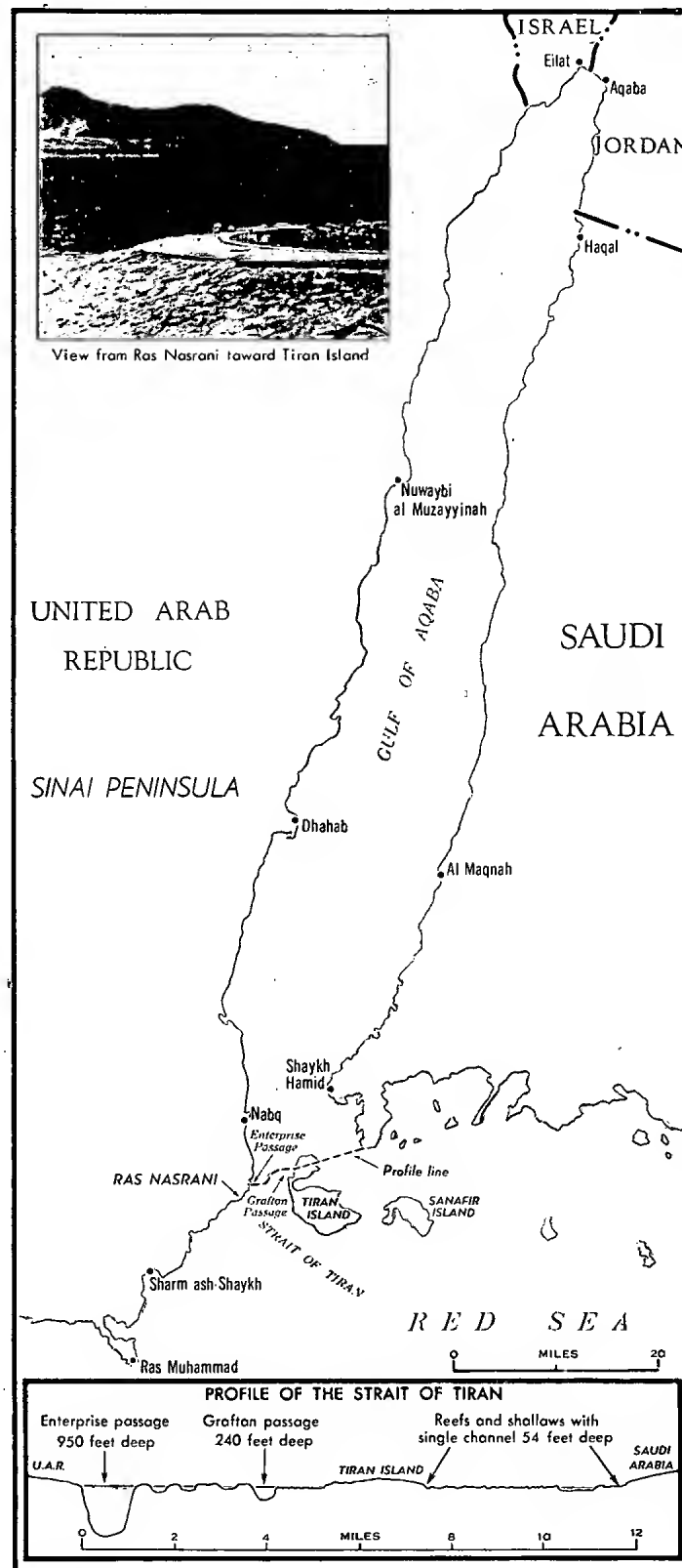
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~~Top Secret~~ 27 May 1967



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DAILY BRIEF
27 MAY 1967

1. Arab States -
Israel.
(As of 5:45 AM EDT)

No challenge to the blockade appears likely today and there have been no new military developments overnight.

A tanker is due at Eilat about 31 May, but may be diverted as was a sister ship yesterday. A cargo vessel may enter the Gulf on 30 or 31 May.

U Thant may propose that all nations temporarily hold up strategic cargoes (including oil) normally shipped through the Gulf. [REDACTED]

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[REDACTED] a two-week hiatus on strategic shipping was one of two proposals made by the UN Secretary General during his visit to Cairo. The second proposition was that he send a permanent and personal representative to the Middle East. The Egyptians bought both proposals, [REDACTED]

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Moscow is still dodging a definitive position on the blockade. [REDACTED]

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[REDACTED] remarked that the Arabs will have a difficult time defending the blockade from the international point of view.

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2. South Vietnam

General Thieu seems to regard the presidential race as one he cannot quit and he cannot win.

Talking with Bui Diem, South Vietnam's ambassador to the US, Thieu said Thursday that he did not believe he could be elected president, yet he felt personal prestige required him to run. Recounting this conversation to Ambassador Bunker, Diem said he does not think Thieu has actually made a decision on his candidacy and that something might be worked out between Thieu and Ky in the month remaining before candidates must declare themselves.

Thieu also told Ambassador Bunker yesterday that he did not think he could win an election. Thieu is bitter over his lack of support in the military, but he assured the ambassador that he would do nothing to endanger the unity of South Vietnam's armed forces regardless of what transpires on the election.

Ky, meanwhile, made it quite clear yesterday that he intends to run no matter what Thieu decides.

3. Hong Kong

Quiet.


4. Communist China

The Chinese are dickering with the Australians for 1.5 million tons of wheat and will soon have Canada signed up for large quantities. These purchases will go toward import needs for the year beginning in July, during which Peking will probably need upwards of 5 million tons.

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5. Panama

Small bands of Communist students are again roaming the streets of Panama City looking for trouble, supposedly to show their opposition to the canal treaty. The National Guard is making arrests



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